

ORDINANCE NO. 93

AN ORDINANCE LICENSING AND REGULATING THE CONDUCT OF  
BINGO, AND PROVIDING A PENALTY FOR VIOLATION

The City Council of the City of Hokah ordains:

SECTION 1. PURPOSE. The purpose of this ordinance is to regulate and control the conduct of the game of bingo and to prohibit commercialization thereof.

SUBDIVISION 1. ACTIVE MEMBER. A member of the organization requesting a license whose dues are paid for the current membership period and who has been a member for at least six months.

SUBDIVISION 2. BINGO. A game where each player has a card or board for which a consideration has been paid, containing five horizontal rows of spaces, with each row except the central one containing five figures. The central row has four figures with the word "free" marked in the center space thereof. A player wins a game of bingo by completing any pre-announced combination of spaces or, in the absence of a pre-announcement of a combination of spaces any combination of five spaces in a row, either vertical, horizontal, or diagonal.

SUBDIVISION 3. BINGO OCCASION. A single gathering or session at which a series of one or more successive bingo games is played.

SUBDIVISION 4. ELIGIBLE ORGANIZATION. Any fraternal, religious, veterans, or other nonprofit organization which has been in existence for at least three years and has at least 30 active members.

SUBDIVISION 5. PROFIT. The gross receipts collected from one or more bingo occasions less reasonable sums necessarily and actually expended for bingo supplies and equipment, prizes, rent, and utilities used during the bingo occasions, bingo license fees, and compensation to persons lawfully hired to conduct or assist in conducting a bingo occasion.

SECTION 3. LICENSE REQUIRED, SUBDIVISION 1. Subject to the provisions of Section 14 infra, no bingo occasion shall be conducted except by an eligible organization which has secured a license for that purpose, as provided in this ordinance.

SUBDIVISION 2. A license shall be valid for twelve calendar months from the date of issuance.

SUBDIVISION 3. The annual license fee shall be \$75.00 for initial license application and thereafter for renewals, \$25.00 per annum, and the Council may, by resolution, and in order to have the license year coordinated with other licenses prorate license fees.

SUBDIVISION 4. A license application shall be acted upon by the Council as soon as the Council deems itself adequately informed with respect to the application, but no sooner than 30 days after application is filed, nor later than 180 days after date of application.

SUBDIVISION 5. Bingo licenses issued are non-transferable as to licensee and location, without prior approval by the Council.

SECTION 4. LICENSE APPLICATIONS. Every application for a bingo license shall be made through the City Clerk's Office on forms supplied by the City, and containing such information as the Council may require. Copies of each application shall be referred for recommendation to the City's Police Chief and Fire Chief, and to such other city Officer(s) as may be determined by the City Council in its consideration of a pending application for license.

SECTION 5. SUSPENSION OR REVOCATION. The Council may suspend for a period not exceeding 60 days, or revoke, any bingo license for violation of any provision of M. X. Ch. 349 or this ordinance. The licensee shall be granted a hearing upon at least 10 days notice before revocation or suspension is ordered. The notice shall state the time and place of the hearing and the nature of the charges against the licensee.

SECTION 6. CONDUCT OF BINGO. SUBDIVISION 1. Each licensed organization shall appoint a bingo manager to supervise bingo occasions conducted by it. The bingo manager must be a member of the licensed organization, with dues paid for the current membership period, and must have been a member of the organization for at least two years. The bingo manager, unless the City Council by action unanimously taken make specific waiver, shall give a fidelity bond in the sum of \$10,000 in favor of the organization conditioned on the faithful performance of his or her duties. Terms of the bond shall provide that notice shall be given in writing to the City Council not less than 30 days prior to its cancellation. Each bingo occasion shall be conducted under the direct supervision of the bingo manager, who shall be responsible for the conduct of the bingo occasion in compliance with all applicable laws and ordinances. No person shall act as bingo manager for more than one organization. No person under the age of 16 years shall be permitted on the premises where bingo occasions are conducted unless full admission is paid and such persons are actually engaged in playing bingo and in the company of a parent or guardian.

SUBDIVISION 2. One or more checkers shall be engaged for each bingo occasion. The checkers shall be active members of the licensed organization or spouses of active members of the licensed organization. The checker or checkers shall record the number of cards purchased and played in each game prior to the completion of each game and record the prizes awarded to the recorded cards. Each checker shall certify all figures which he or she has recorded as accurate and correct to the best of his or her knowledge, on forms prescribed by the City Clerk.

SUBDIVISION 3. Additional persons may be engaged for other duties in connection with bingo occasions as needed, but no person shall assist in the conduct of a bingo occasion who is not an active member of the licensed organization, unless the assistance of other persons is regularized by the membership of the sponsoring organizations approving resolution recorded in the official minutes of such organization.

SUBDIVISION 4. No person shall receive more than \$12 as compensation for any duties in connection with any one bingo occasion.

SUBDIVISION 5. No more than 52 bingo occasions each year, or one bingo occasion per week shall be conducted by any licensed organization.

SUBDIVISION 6. A bingo occasion shall not continue for more than four consecutive hours.

SECTION 7. Bingo on leased premises. SUBDIVISION 1. Any Person, corporation, or eligible organization, which leases any premises that it owns to two or more eligible organizations for purposes including the conduct of bingo occasions, shall not allow more than four bingo occasions to be conducted on the premises in any week.

SUBDIVISION 2. Any eligible organization which leases any premises to one or more other eligible organizations for purposes including the conduct of bingo occasions shall use the proceeds of the rental, less reasonable sums for maintenance, furnishings and other necessary expenses, only for the uses for which bingo profits may be used, as set out in Section 13 of this ordinance. Not less than once each year the lessor organization shall report to the City Council the disposition of all receipts which it has

received during the reporting period from the rental of its facilities to other organizations for purposes including the conduct of bingo occasions.

SUBDIVISION 3. No eligible organization shall conduct bingo on any leased premises without a written lease for a term at least equal to the remainder of the term of the bingo license of the lessee organization. Lease payments shall be at a fixed monthly rate, or rat per bingo occasion, not subject to change during the term of the lessee. No such lease shall provide that rental payments be based on a percentage of receipts or profits form bingo occasions.

SECTION 8, PRIZES. SUBDIVISION 1. Prizes for a single bingo game shall not exceed \$100 except prizes for a game of the type commonly known as a "coverall" game. "cover-all" prize s may exceed \$100 provided that the aggregate value of such prizes for a bingo occasion shall not exceed \$500. The aggregate value of prizes for a bingo occasion shall not exceed \$2,500 except that in the case of a bingo occasion during which a "cover-all" game is played for a maximum prize of more than 4100 but less than \$500, the aggregate value of prized for the bingo occasion shall not exceed \$3,000. Merchandise prizes shall be valued at fair market retail value.

SUBDIVISION 2. Each bingo winner shall be determined and every prize shall be awarded and delivered the same day on which the bingo occasion is conducted.

SECTION 9. RECORDS. SUBDIVISION 1. Each licensed organization shall keep records of its gross receipts and profits for each bingo occasion. All deductions from gross receipts from a bingo occasion shall be documented with receipts or other records. The distribution of profits shall be itemized as to payee, amount and date of payment. Records required by this ordinance shall be preserved for three years.

SUBDIVISION 2. Gross receipts shall be compared to the checker's records for the bingo occasion by a person who did not sell cards for the bingo occasion. If a discrepancy exceeding \$20 is found between the amount of gross receipts for a bingo occasion as determined by the checker's records, and the amount of gross receipts as determined y totaling the cash receipts, the discrepancy shall be reported to and investigated by the Council.

SUBDIVISION 3. Bingo gross receipts shall be segregated from other revenues of an organization and placed in a separate account. Each organization shall maintain separate records of its bingo operations. The person who accounts for bingo gross receipts and profits shall not be the same person who accounts for other revenues of the licensed organization.

SECTION 10. REPORTS. SUBDIVISION 1. Each licensed organization shall report monthly to its membership its gross receipts from bingo, its profits from bingo, and the distribution of those profits itemized as required by Se. 9, Subd. 1.

SUBDIVISION 2. At the time of making its first license application under this ordinance, and on an annual basis thereafter, each licensed organization shall file with the council copies of the following:

- a. The most recently filed Department of Treasury, Internal Revenue Service, "Return of Organization Exempt from Income Tax," Form 990, or a comparable form if the organization is required to file the form with the Department of the Treasury.
- b. The most recently filed Department of the Treasury, Internal Revenue Service, "Exempt Organization Business Income Tax," Form 990-T, or a comparable form if the organization is required to file the form with the Department of the Treasury.
- c. The most recently filed annual report required by charitable organizations by M.S. 309.53, provided that an organization which is licensed to conduct bingo but is

exempt from submitting this report to the Department of Commerce under Sec. 309.53, Subd. 1a, shall nevertheless submit such a report under this subdivision.

d. The most recently filed Minnesota Department of Commerce "Statement of Bingo Operations." All information contained in the statement shall be true, correct, and complete to the best of the knowledge of the person or persons signing the statement.

e. Any lease agreements required by this act, executed by the organization in regard to premises leased for the conduct of bingo.

SECTION 11. INSPECTION AND INVESTIGATION. SUBDIVISION 1. Any city official or employee, having a duty to perform with reverence to a bingo license, and any police officer may inspect and examine the bingo records of any licensed organization under 24 hours notice.

SECTION 12. USE OF BINGO RECEIPTS. No expense shall be incurred or amounts paid in connection with the conduct of bingo, except those reasonably expended for bingo supplies and equipment, prizes, rent or utilities used during the bingo occasion, bingo license fees, and compensation to persons lawfully hired to conduct or assist in conducting a Bingo occasion.

SECTION 13. USE OF BINGO PROFITS. Profits from any bingo occasion shall be expended only as authorized by a resolution recorded in the official minutes at a regular meeting of the licensed organization and only for one or more of the following purposes:

a. Benefiting persons by enhancing their opportunity for religious or education advancement, by relieving or protecting them from disease, suffering, or distress, by contributing to their physical well being, by assisting them in establishing themselves in life as worthy and useful citizens, or by increasing their comprehension of a devotion to the principles upon which this nation was founded.

b. Initiating, performing, or fostering worthy public works or enabling or furthering the erection or maintenance of public structures.

c. Lessening the burdens borne by government or voluntarily supporting, augmenting, or supplementing services which government would normally render to the people.

d. The improving, expanding, maintaining, or repairing of real property owned or leased by the licensed organization.

Profits from bingo occasions shall not be expended for the erection or acquisition of any real property, unless the City Council specifically authorizes the expenditures after finding that that the property will be used exclusively for one or more of the purposes specified in this section.

SECTION 14. EXEMPTIONS. Bingo may be conducted without complying with the requirements of Sec. 6, Subds. 5 and 6, and Section 7 if conducted: (a) in connection with the county fair conducted by the county agricultural society or in connection with a civic celebration recognized by resolution of the city Council, provided that bingo shall not be conducted for more than 12 days during any one county fair or recognized civic celebration, or (b) by an organization that conducts fewer than five bingo occasions in any calendar year.

SECTION 15. PENALTIES. Violation of any provision of this ordinance shall be a misdemeanor. A person convicted of violating any provision of this ordinance shall be subject to a fine of not more than \$300 or imprisonment for a term not to exceed 90 days or both, plus in either case the costs of prosecution.

SECTION 16. SEVERABILITY. Should any provision of this ordinance be nullified by the judgment of a Court of competent jurisdiction or by operation of the law, all other provisions thereof shall nevertheless remain in full force and effect.

SECTION 17. EFFECTIVE DATE. This ordinance becomes effective upon its passage and publication according to law.

Passed and enacted by the City Council this 7<sup>th</sup> day of September, 1976/

Approved: Harley Kuhlmann, Mayor

Attest:

Verian Craig, Clerk